# Levy Tax On Film Profits In New Budget

# U.A. Opening South Africa For Indie Enterprise

## Ray Presents

IN Toronto, Spring is here; in fact there is a touch of Summer warmth; how is it by you?

Exhibitors will now get out the old paint brush and the cake of ice, preparatory to Spring cleaning, the dress-up and keeping the theatre cool and inviting.

*There is nothing to equal a nice coat of paint inside and outside to make the house look rejuvenated, as well as renovated.*

*With Summer there is the lure of the automobile, and the distant fields which look greener, and smell more fragrant than our gardens. But after a nice warm day in the country, the picture house in which one can sit down in a comfortable chair, be cool and be entertained, is the Idea to sell.*

THE Budget has been presented to the Canadian people, and that which interests the members of our Industry, is that the excise tax on imports of 3% becomes null and void.

However, just to take the "J" and "Y" out of our Joy, leaving us with the "O", which means more than a cipher, there will be a 5% levy on all profits or surplus funds sent out of the country from film enterprise. Formerly the levy was imposed on 40% of the profits, which brought the tax down to 2%.

*This means that British, French, as well as American and other producer-distributors will have 5% less for film revenue. The tax will be imposed on all export of money from film enterprise here.*

*The 10% allowance on income tax for improvement or expansion of business enterprises is another interesting angle of the present Budget. In the beginning of the new year there was a reduction on prints, etc., from 5% to 2%. I understand that the 5% tax on profits leaving Canada will be the subject of various protests.*

*The British film interests may contend that the British Government levies no tax on film profits leaving Great Britain, therefore why should we tax British revenue?*

*The new trade treaties between Canada and Great Britain, between Great Britain and the U.S. have had their advantage clauses for film enterprise.*

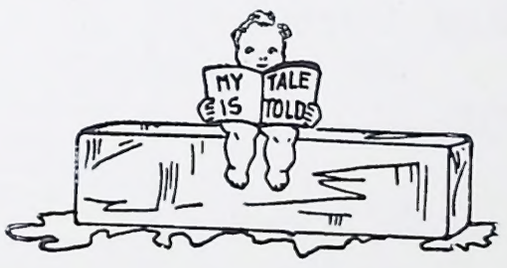
IN Saskatchewan, Joe Haugh, manager of the Orpheum at Kerrobert, is circulating a petition requesting the citizens of that town to sign it, and to attend a meeting with a view to discussing the Motion Picture Industry. Mr. Haugh has been operating the Orpheum for years. It is reported that Memorial Hall in that town is being equipped for pictures.

*The Madison Theatre has been reopened after being closed for two days. It is reported that the theatre was leased to one of the Hanson subsidiary companies, and that the company had not paid its rent for some months. The Brady Bros., who own the theatre, took possession. Meanwhile, another story has got into circulation here, and that is that the Hanson interests have leased the Metro Theatre at Manning and Bloor, recently opened.*

*Toronto was full of film rumours, one of which was that the Little Gnat removed the stinger from his sitter and flitted away to Kingston, which I am told is ripe for an Independent theatre. Now, don't all rush there! One at a time! Remember, the 'Pen' is very handy.*

*Big story is that U.A. will open their own exchanges in South Africa, and in a tie-up with 20th Century-Fox will promote independent theatres there, taking a whack at the alleged Schlesinger monopoly.*

*Theatres are to get a long-term franchise for product. "Please God by me", it should happen in Canada.*




## Variety Clubs of America Hold National Convention, Detroit, April 27-8-9

## Cem Merritt Heads Canadian Contingent

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## M. P. INTERESTS KILL B.C. DAYLIGHT SAVING

Vancouver, B.C.—Famous Players Canadian Corporation, Independent theatre-owners, and the B.C. Projectionists' Society joined forces to present strong protests to the Vancouver City Council against submission of a plebiscite on daylight saving at the civic by-election on May 10. The motion picture interests claim that if daylight saving is to be put in force in Vancouver, several theatres would have to close, as they would be unable to compete with outdoor amusements. F. H. Gow, district manager of suburban theatres for Famous Players, declared his company would be obliged to close three or four of the suburban houses and possibly one of the large houses of the twelve theatres which the company operates in Vancouver. J. Howard Boothe, owner of the Dunbar Theatre, stated that daylight saving would cut his theatre revenue as much as 50 per cent.

As a result of the protests by the motion picture interests, the proposed plebiscite has been definitely abandoned.

### YARMOUTH HOUSE BOUGHT

Yarmouth, N.S. — It is understood that the Community Theatre at Yarmouth will shortly be taken over by the Franklin-Herschorn Theatre Co.

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# Exchanges Ordered To Cease Renting Films To N.S. Houses

## Distribution From Montreal Likely For Maritimes

Saint John, N.B.—An article in a local newspaper (the Telegraph-Journal), gave headlines stating that "FILM EXCHANGES ARE ORDERED TO CEASE RENTING PICTURES TO NOVA SCOTIA THEATRES". The article went on to say, "Action which might conceivably result in the removal of film distributing headquarters from Saint John, and the exclusion of Nova Scotia from contractural arrangements for the use of moving picture productions, was suggested by instructions received by Maritime managers here to hold up further selling to Nova Scotia accounts until corporation legal circles have fully considered the provisions of an act recently passed in the Nova Scotia Legislature."

Further the article stated: "It was said by one zone film exchange executive here that if the Nova Scotian business is dropped because of the new legislation, the remaining trade in film rentals would not warrant a Maritime distributing centre. Films would then have to be handled from Montreal, as formerly." Another manager said, "The whole Nova Scotian situation is up in the air."

Later on the article in question says, "Film producers, distributors and many exhibitors claim the Act is Government control of private business" . . . and that "the Act is the most drastic ever yet put on the statute books of any country." It becomes law when proclaimed by order-in-council.

This Act contains amendments to Chapter 162 of the Revised Statutes, 1023, "The Theatres Cinematographs and Amusements Act", and contains eight sections. The measure received Royal assent recently. Unjust discrimination in selling, leasing, renting or exchanging of films is declared unlawful, and the Board of Censors is given the power to cancel licenses if they prove or consider that unjust discrimination has been exercised. The official is also given power to say how many of a company's films may be purchased by an Exhibitor, and conditions of selling must be open to official knowledge.

If film exchanges should be removed from Saint John it would affect over fifty-five persons.

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### SAINT CATHARINES' FIVE

Saint Catharines, Ont. — With the construction of the new Lincoln Theatre, on Saint Paul Street, which opens next month, this city will begin its new season with five motion picture theatres. Mr. Hyman Freedman of Toronto recently opened the Centre, and Hanson Theatres operate the Granada, while Famous Players operate the Capitol and have the Griffin Theatre, a few doors away, under lease, but closed. At the expiration of the lease of the Griffin Theatre, owned by Mrs. O. McMaster, it will be reconstructed and reopened with vaudeville and films.

### EXHIBITORS VISIT SAINT JOHN

Saint John, N.B.—Visitors in Saint John recently have been: Malcolm Walker of the Gaiety Theatre, Halifax, N.S. and the Imperial, Sackville, N.B.; Jack Butler of the Imperial, Moncton, N.B., and Harold Gaudet of the Capitol Theatre, Summerside, Prince Edward Island. Mr. Gaudet, accompanied by his wife, is enroute to Montreal and New York where he expects to visit the World's Fair.

### GRAND, REGINA, IN LINE FOR SPRING DRESSING

Regina, Sask. — Frank Kershaw, western division manager, and Vic Armand, sound and projection supervisor, both of Famous Players, paid Regina a three-day business visit recently. Before returning to Winnipeg, Mr. Kershaw announced that tenders for the renovation of the Grand Theatre here would be called immediately. The renovation including rebuilt roof, front, lobby, new marquee, and interior decoration is to cost in the neighborhood of $10,000.

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